

ASU System Policy

Effective Date: 02/25/05

Subject: Intellectual Property

I. Introduction

The creativity of human beings is manifested in fields as diverse as science and technology, literature and the humanities, and the fine and applied arts. Creators of intellectual property utilize legal vehicles that make possible the ownership and control of some of the fruits of this creativity, providing an incentive to be creative and to make such fruits public. As a result of the increased cooperation in research and development between universities and businesses, the volume of intellectual property being created in universities has increased significantly. This increase has made apparent the complexity of the issues related to the ownership, control and use of such property. This policy is designed to achieve the following objectives:

- a. Encourage and protect the creative endeavors of all members (faculty, staff and students) of the Arkansas State University System community;
- b. Determine and safeguard the rights and interests of all relevant parties (Originator, the University, and outside sponsors of research) in the creative products of those associated with the University;
- c. Facilitate the dissemination and use of the findings of academic research so as to benefit the public at the earliest practicable time;
- d. Provide guidelines by which the significance of the findings of the academic research may be determined and, when appropriate, their public use facilitated;
- e. Recognize the equity of any outside sponsor of research within the University; assist in the negotiation and preparation of contracts with outside sponsors, collaborators and licensees; and support the fulfillment of the terms of those contracts;
- f. Provide for the equitable distribution of benefits resulting from the intellectual property among the various parties with interests in it.

II. Persons Affected

The Intellectual Property Policy applies to all persons employed by the Arkansas State University System or any campus in that System, to anyone using System facilities unless otherwise negotiated, to all students of any campus in the Arkansas State University System including but not limited to undergraduate students and candidates for masters and doctoral degrees, and to postdoctoral fellows. It shall also apply to all persons not employed by ASU but whose scholarly production is financed, in whole or in part, from funds under the control of the University.

III. Definitions

The following definitions are employed in interpreting and implementing this policy:

- a. "Incidental Use" means occasional utilization of University property outside the course and scope of employment for limited amounts of time.
- b. "Intellectual Property" refers to any material capable of legal protection (copyright, license and patent) arising out of Scholarly Production and includes but is not limited to any discovery, invention, process, know-how, design, model, work of authorship, works of art, computer software, mask work, molecular, cellular or organismal biological discoveries or applications, strain, variety or culture of an organism, or portion, modification, translation, or extension of these items. It includes marks used in connection with these. The term "mark" refers to trademarks, service marks, collective marks, and certification marks.
- c. "University" means the Arkansas State University System, any campus within the Arkansas State University System, and any entity or activity under the authority of the Board of Trustees of the Arkansas State University System.
- d. "Scholarly Production" means any research, creative activity, or development activity, which is directly related to the duties and responsibilities for which a person has been compensated by or through the University, or for which facilities owned, operated, or controlled by the University are used.
- e. "Sponsored Research" means Scholarly Production for which the University has received external support.
- f. "Originator" means a person who in the course of Scholarly Production creates or discovers material that is or becomes Intellectual Property.
- g. "Copyright" shall be understood to mean that bundle of rights that protect original works of authorship fixed in any tangible medium of expression, now

known, or later developed; from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.

- h. "Tangible media" include, but are not limited to, books, periodicals, manuscripts, phonographic records, films, slides, tapes, and disks.
- i. "Patent" shall be understood to mean that bundle of rights that protect inventions or discoveries which constitute any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof; computer software; new and ornamental designs for any useful article; new human-made products; and new animal, plant or other life forms. This includes new plant varieties created by sexual reproduction and covered by Plant Variety Protection Certificates for New Cultivars.
- j. "Royalty-free license" shall be understood to mean an exclusive or non-exclusive, nontransferable license for unrestricted use of the Intellectual Property, the license being without royalty payments on any subsequent proceeds.

IV. Statement of Policy

The policy of the University is that the University shall retain legal title as set by current applicable law to all Intellectual Property created by any person or persons to whom this policy is applicable. This policy is established in furtherance of the commitment of the University to the widest possible distribution of the benefits of Scholarly or Creative Production, the protection of Intellectual Property resulting from such creation or discovery, and the development of Intellectual Property for the public good. The University's ownership rights in the Intellectual Property shall vest immediately upon the creation or discovery of the Intellectual Property. This System Intellectual Property Policy shall be governed by current state and federal laws, regulations, and case decisions and any changes to those laws, regulations, and case decisions shall be immediately applied to this policy without the necessity of formal Board action.

V. Disclosure Obligations of Originator(s)

All persons to whom this policy is applicable shall furnish to the office designated by the chancellor of that campus to manage research and technology transfer, a full and complete disclosure of any Intellectual Property promptly after it is created or conceived or first reduced to practice. The disclosure will identify all Originators of the specific Intellectual Property, their relative contributions to the work (expressed in a percentage), and use of University resources in developing the work including department(s), interdisciplinary program(s), research institute(s), and/or sponsor(s) (expressed in a percentage). Such persons shall cooperate in a timely and professional manner with the University or with patent or other counsel in protecting Intellectual Property and perform all acts necessary for the University to fulfill its obligations and protect the University's rights in and to the Intellectual Property. The University may require technical advice and assistance from Originators in the development and licensing of their Intellectual Property. The University's disclosure form is provided at www.ASUresearch.edu.

VI. Copyrightable Intellectual Property Rights

The University does, at the moment of its creation, have all ownership rights established by current state and federal law in copyrightable Intellectual Property. Arkansas State University will not assert its ownership interest in:

- a. faculty-produced, copyrightable online courses other than to reserve a Royalty-free license; or
- b. copyrightable material created for ordinary teaching use in the classroom or for electronic assignments and tests other than to reserve a Royalty-free license; or
- c. copyrightable faculty, staff, or student produced textbooks, scholarly writing, art works, musical compositions and literary works that are related to the faculty, staff, or students' professional field, including all student authored class assignments, other than to reserve a Royalty-free license.

In an agreement transferring copyright for such works to a publisher, faculty authors must provide rights for the University's nontransferable royalty-free license

For any disputes concerning copyright ownership, the University System Intellectual Property Committee (USIPC) will review all copyright disclosures and make a recommendation to the administration as to who owns the copyright. The administration will make a final decision regarding ownership and the Originator(s) will be notified of the outcome within 90 days of receiving the disclosure.

VII. Patentable Intellectual Property Rights

The University does, at the moment of its creation, have all ownership rights established by current state and federal law in patentable Intellectual Property. The chancellor's designee will review all invention disclosures and recommend to the administration one of three possible actions:

1. Retain all ownership rights and develop the Intellectual Property for commercialization at the University's discretion; or
2. Assign all rights to the Originator(s) but retain a Royalty-free license; or
3. Assign all rights to the Originator(s).

If the University does not furnish notice of intent to retain ownership rights of the Intellectual Property within 90 days after disclosure to the University the Originator(s) may request that the University transfer or waive its rights subject to the retention by the University of a non-transferable, royalty-free license. If the University chooses to patent an Intellectual Property but takes no steps (within two years of notice of the creation or discovery of the Intellectual Property) to develop the Intellectual Property commercially, the Originator(s) may request that the University transfer or waive its rights subject to the retention by the University of a non-transferable, royalty-free license.

VIII. Costs of Legal Protection of Intellectual Property

The holder of the Intellectual Property rights bears the responsibility and financial burden of developing and processing the Intellectual Property, and all legal fees and other costs related to obtaining and maintaining patents, copyrights, or other legal protection, unless otherwise negotiated.

IX. Distribution of Earnings from Intellectual Property

In consideration of the disclosure and assignment of Intellectual Property to the University, the net royalties or other net income from the commercialization of an Intellectual Property will be distributed as follows (*Note*- Net royalties are for this purpose defined as gross royalties received by the University minus the costs for patenting, copyrighting, licensing or obtaining legal protection of Intellectual Property. This does not include salaries of the Originator(s) or the office staff.)

- a. For the first \$10,000 of net royalties or other net income the Originator(s), Originator's heirs, successors, or assigns shall receive eighty-five percent (85%) of those net royalties or other net income with the remaining fifteen percent (15%) belonging to the Arkansas State University campus at which the Originator is employed or enrolled, or which contracts for or finances the work.
- b. Once the \$10,000 plateau has been reached, net royalties or other net income up to two million dollars will be divided fifty percent (50%) to the Originator(s), Originator's heirs, successors, or assigns with fifty percent (50%) belonging to the Arkansas State University campus at which the Originator is employed or enrolled, or which contracts for or finances the work.
- c. Once Intellectual Property generates net royalties or other net income that exceeds two million dollars, net royalties or other net income will be divided forty percent (40%) to the Originator(s), Originator's heirs, successors, or assigns and sixty percent (60%) to the Arkansas State University campus at which the Originator is employed or enrolled or which contracts for or finances the work.

Net royalties will be distributed normally on an annual basis, payments being made within sixty (60) days after the end of a calendar year in which royalties from the Intellectual Property have accrued.

X. Sponsored Research

Rights to Intellectual Property produced as a result of Sponsored Research, including research sponsored by the Arkansas State University Research and

Development Institute (RDI), are determined by the contractual or grant agreements negotiated between the University and the sponsor.

XI. U.S. Government Funded Inventions (Intellectual Property)

Arkansas State University is governed by the 1980 Bayh-Dole law (P.L. 96-517 and 98-620 as amended), which sets out the disposition of inventions made with Federal assistance. The law provides that non-profit organizations and small businesses may elect to retain title to the inventions conceived or first actually reduced to practice in the performance of work under a funding agreement. The University must disclose each subject invention in a timely manner and comply with other regulatory actions. In addition it must grant the U.S. government a royalty free license for governmental purposes, give preference to U.S. manufacturers, give preference to small businesses and share royalties with inventors. The University must periodically report any licensing activity to the Government.

XII. Publication Rights

In all Sponsored Research, the right shall be reserved for Originators and the University to publish and disseminate the knowledge gained and the results obtained. The University may grant a sponsor a limited review period of 60 (sixty) days, renewable with permission of the Originator/s, prior to publication in order to protect proprietary information and any technology, which may be the subject of a patent application.

XIII. Policy Administration

The President shall appoint a University System Intellectual Property Committee (USIPC) consisting of members from each campus within the Arkansas State University System whose employees are conducting significant scholarly work. An employee from the Arkansas State University System Office shall be an ex officio member of the Committee. The Office of University Counsel shall serve as legal advisor to the Committee. A chairperson shall be elected from among the membership of the Committee. The Committee shall meet at least annually and also when needed at the request of the chairperson or the President. The Committee shall be responsible for:

- (1) Reviewing the operation of the System Intellectual Property Policy and proposing policy changes;
- (2) Assisting in reviewing Intellectual Property disclosures as requested by any campus office or individual charged with research and technology transfer;
- (3) Reviewing disputes concerning copyright ownership (such as equitable division among joint originators) and make a recommendation as to who owns the copyright to the administration;
- (4) Reviewing proposed exceptions to the established policy;

- (5) Seeking initial resolution of campus disputes relating to rights in Intellectual Property and resolving issues referred by any individual charged with research and technology transfer;
- (6) Advising the President on Intellectual Property policy matters as requested.

The Chancellor of Arkansas State University-Jonesboro shall designate an employee who shall have the general responsibility of:

- (1) Reviewing Intellectual Property disclosures submitted to the University for copyright or patent application or other protection and making recommendations to the University System Intellectual Property Committee;
- (2) Evaluating Intellectual Property for copyrightability and patentability, as well as potential commercial value;
- (3) Appointing ad hoc technical subcommittees to assist in evaluating Intellectual Property;
- (4) Seeking University approval of outside technical assistance in evaluating Intellectual Property;
- (5) Recommending Intellectual Property rights or equities to be held by the Arkansas State University Research and Development Institute;
- (6) Providing scientific and technical assistance to approved copyright and patent management organizations to achieve the full benefits of University Intellectual Properties that have commercial potential;
- (7) Seeking initial resolution of campus disputes relating to rights in Intellectual Property;
- (8) Reviewing works of authorship submitted for copyright consideration; and
- (9) Transferring technology including but not limited to: licensing copyrights and patents and developing plans for commercialization of University owned Intellectual Property.

Within ninety (90) days of the receipt of an Intellectual Property disclosure, the above designee will review and evaluate the Intellectual Property disclosure and submit to the Chancellor of the campus submitting the disclosure his or her recommendation regarding the disposition of the disclosure. The designee's recommendation along with the Chancellor's recommendation shall be forwarded by the Chancellor within ten (10) working days of receipt to the President of Arkansas State University System. In most instances the recommendation will consist of one of the following:

1. The University retains property rights and will proceed toward commercial development; or
2. The University assigns all rights to the Originator(s) or sponsor(s) while reserving a royalty-free license; or
3. The University assigns all rights to the Originator(s) or sponsor(s).

(Revised 2012 Adopted by the Arkansas State University Board of
Trustees February 25, 2005, Resolution 05-01, Supersedes Patents Policy)